

ASHBY & GEDDES

ATTORNEYS AND COUNSELLORS AT LAW
500 DELAWARE AVENUE
P. O. BOX 1150
WILMINGTON, DELAWARE 19899

TELEPHONE
302-654-1666
FACSIMILE
302-654-2067

September 12, 2007

REDACTED
PUBLIC VERSION

VIA ELECTRONIC FILING AND HAND DELIVERY

The Honorable Joseph J. Farnan, Jr.
United States District Court
844 N. King Street
Wilmington, Delaware 19801

Re: *Wells Fargo Bank N.A. v. Royal*, Civil Action No. 02-1294-JJF

Charles A. Stanziale, Jr., Chapter 7 Trustee of Student Finance Corp. v. Pepper Hamilton, et al., Civil Action No. 04-1551-JJF

Charles A. Stanziale, Jr., Chapter 7 Trustee of Student Finance Corp. v. McGladrey & Pullen LLP, et al., Civil Action No. 05-72-JJF

Royal v. Pepper Hamilton, et al., Civil Action No. 05-165-JJF

Dear Judge Farnan:

We write on behalf of Royal Indemnity Company (“Royal”) to respond to the September 10, 2007 letter from John Shaw to this Court.

For more than two years, these cases have been set for trial starting on October 10, 2007. The parties to all of these cases, including counterclaim defendant Wells Fargo Bank, N.A., repeatedly have agreed to a series of case management orders providing for an October 10, 2007 trial date. The parties have all pushed hard to be ready for this trial date. Voluminous fact discovery was completed by the end of April; all parties pressed forward on an aggressive schedule to complete expert discovery in six weeks; the plaintiffs completed and served their portions of the pre-trial order a week ago; considerable money has been spent and hard work performed by all the parties to these actions to be ready for a trial on October 10.

REDACTED

The Honorable Joseph J. Farnan, Jr.
September 12, 2007
Page 2

REDACTED

Wells Fargo alone takes the position that it should not have to proceed to trial on October 10. Wells asks this Court to depart from the two year old pre-trial schedule in deference to its summary judgment motion. But the parties are on the same schedule for summary judgment and trial that all parties, including Wells, agreed to years ago. Nothing has changed now that would require the postponement of trial pending resolution of Wells Fargo's summary judgment motion.

Nor will any meaningful economies be achieved by departing from the trial schedule. The "substantial costs of preparing for trial" referenced by Mr. Shaw have already in large part been expended in anticipation of the October 10 trial date. If anything, full summary judgment briefing at this late stage will substantially add to the parties' expense. This is particularly true because Wells Fargo's defenses in this case are not capable of disposition on a summary judgment motion, for the reasons we described in our August 13, 2007 letter to the Court. Royal will continue to abide by the procedure for summary judgment established by the Court in Second Amended Case Management Order # 1.

Lastly, Mr. Shaw mentions Wells Fargo's purported adoption of the motion brought by Pepper Hamilton with respect to the deposition of Royal's consulting expert John Garvey. We shortly will be filing a response to this baseless motion. There is no reason why this motion cannot be quickly decided on the papers and a deposition conducted well before trial if ordered by the Court.

Royal brought its counterclaims against Wells Fargo in April, 2003. Four and a half years later, Royal should have its day in Court, and this case should be brought to a resolution. Royal respectfully submits that there is no reason to deviate from Second Amended Case Management Order # 1.

REDACTED

Respectfully submitted,

/s/ Philip Trainer, Jr.

Philip Trainer, Jr. (#2788)

cc: Counsel of record on attached service list

SERVICE LIST**By E-mail**

William H. Sudell, Jr., Esquire
 Morris Nichols Arsh & Tunnell
 1201 North Market Street
 Wilmington, DE 19899-1347

Michael R. Lastkowski, Esquire
 Christopher M. Winter, Esquire
 Duane Morris LLP
 1100 North Market Street, Suite 1200
 Wilmington, DE 19801

Karen Lee Turner, Esquire
 Eckert Seamans Cherin & Mellott, LLC
 300 Delaware Avenue, Suite 1210
 Wilmington, DE 19801

John H. Eickemeyer, Esquire
 Jonathan A. Wexler, Esquire
 Vedder, Price, Kaufman & Kammholz, P.C.
 1633 Broadway, 47th Floor
 New York, NY 10019

Stephen Shapiro, Esquire
 Elizabeth K. Ainslie, Esquire
 Schnader Harrison Segal & Lewis LLP
 1600 Market Street, Suite 3600
 Philadelphia, Pennsylvania 19103

Michael S. Waters, Esquire
 Lois H. Goodman, Esquire
 McElroy, Deutsch, Mulvaney & Carpenter, LLP
 Three Gateway Center
 100 Mulberry Street
 Newark, NJ 07102-4079

Neil G. Epstein, Esquire
 Eckert Seamans Cherin & Mellott, LLC
 1515 Market Street, 9th Floor
 Philadelphia, PA 19102

David E. Wilks, Esquire
 Reed Smith LLP
 1201 North Market Street, Suite 1500
 Wilmington, DE 19801

John W. Shaw, Esquire
 Young Conaway Stargatt & Taylor, LLP
 The Brandywine Building
 1000 West Street, 17th Floor
 Wilmington, DE 19899

Ashley Stitzer, Esquire
 The Bayard Firm
 222 Delaware Avenue, Suite 900
 Wilmington, DE 19899

Steven M. Farina, Esquire
 Thomas H.L. Selby, Esquire
 Williams & Connolly LLP
 725 Twelfth Street, NW
 Washington, DC 20005

Charles A. Gillman, Esquire
 M. Justin Lubeley, Esquire
 Cahill Gordon & Reindel LLP
 80 Pine Street
 New York, NY 10005-1702

Richard P. Swanson, Esquire
 Veronica E. Rendon, Esquire
 Jason M. Butler, Esquire
 Arnold & Porter LLP
 399 Park Avenue
 New York, NY 10022-4690

Andre G. Castaybert, Esquire
 Ronald Rauchberg, Esquire
 Steven Obus, Esquire
 Proskauer Rose LLP
 1585 Broadway
 New York, NY 10036-8299